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**FAMILIES HELPING FAMILIES OF SOUTHEAST
LOUISIANA, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
FOR THE YEAR ENDED JUNE 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/28/09

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Taylor & Willis, CPAs

A Limited Liability Company

Independent Auditor's Report

Board of Directors

Families Helping Families of Southeast Louisiana, Inc.

4118 Franklin Avenue

New Orleans, Louisiana

We have audited the accompanying statement of financial position of Families Helping Families of Southeast Louisiana, Inc. (a Louisiana non-profit corporation) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Helping Families of Southeast Louisiana, Inc. as of June 30, 2008, and the results of its activities and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2008 on our consideration of Families Helping Families of Southeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Taylor & Willis CPAs LLC

December 23, 2008

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Families Helping Families of Southeast Louisiana
Statement of Financial Position
June 30, 2008

ASSETS

Cash and cash equivalents	\$ 45,939
Accounts Receivable	8,940
Property and Equipment - net of depreciation	<u>21,355</u>

TOTAL ASSETS \$ 76,234

LIABILITIES

Payroll Liabilities	\$ 5,620
Due To Affiliates	<u>13,764</u>

TOTAL LIABILITIES 19,383

NET ASSETS

Unrestricted	16,642
Temporarily Restricted	<u>40,208</u>

TOTAL NET ASSETS 56,850

TOTAL LIABILITIES AND NET ASSETS \$ 76,234

See accompanying notes to financial statements.

Families Helping Families of Southeast Louisiana
Statement of Activities
For The Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Direct Public Grants	\$ 527	\$ 99,422	\$ 99,949
Fee for Service Contracts	-	130,870	130,870
Direct Public Support	20,259	10,474	30,733
Other Types of Income	-	8,058	8,058
Program Income	-	500	500
Net assets released from restrictions	209,116	(209,116)	-
	<u>229,902</u>	<u>40,208</u>	<u>270,110</u>
Total Revenues, gains, and other support:			
	<u>229,902</u>	<u>40,208</u>	<u>270,110</u>
Expenses and losses:			
Program Services			
Louisiana Developmental Disabilities Council	62,990		62,990
State of Louisiana Department of Education	53,003		53,003
Metropolitan Human Services District	50,591		50,591
Louisiana State Improvement Grant	21,077		21,077
Early Childhood Supports and Services Program	9,052		9,052
Office of Mental Health	4,500		4,500
Family to Family Health Information Center	3,261		3,261
Louisiana Developmental Disabilities Council / Stipends	2,680		2,680
Supporting Services			
Management and General	6,106		6,106
Total Expenses and losses	213,260	-	213,260
Changes in Net Assets	16,642	40,208	56,850
Net assets at beginning of year	-	-	-
Net assets at end of year	<u>\$ 16,642</u>	<u>\$ 40,208</u>	<u>\$ 56,850</u>

See accompanying notes to financial statements.

Families Helping Families of Southeast Louisiana
Statement of Functional Expenses
For the Year Ended June, 30, 2008

	Louisiana									
	Management and General	Developmental Disabilities Council / Stipends	Office of Mental Health	Early Childhood Supports and Services Program	Louisiana State Improvement Grant	Louisiana Developmental Disabilities Council	Metropolitan Human Services District	State of Louisiana Department of Education	Family to Family Health Information Center	Total
Business Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,668	\$ 36	\$ 36	\$ -	\$ 1,741
Contract Services	1	-	-	-	-	3,012	40	40	-	3,093
Facilities and Equipment	-	-	-	-	-	8,347	5,601	1,520	-	15,468
Utilities	-	-	-	-	-	995	995	435	-	2,426
Rent	-	-	4,500	-	-	2,438	2,438	-	-	9,375
LaSIG Program Expenses	-	-	-	-	4,889	-	-	-	-	4,889
Operations	376	-	-	1,420	215	10,100	10,140	5,995	430	28,678
Other Types of Expenses	390	-	-	-	-	320	-	-	-	710
Insurance	-	-	-	635	333	2,845	737	2,217	-	6,767
Payroll Expenses	-	-	-	6,340	12,465	28,069	25,537	34,760	2,443	109,615
Payroll Taxes	-	-	-	544	1,074	2,111	2,118	2,943	218	9,008
Employee Advance	-	-	-	-	-	-	-	-	-	-
Lending Library	5,280	-	-	-	-	-	-	168	-	5,448
Travel	8	520	-	94	1,276	1,890	357	1,642	20	5,806
Conference, Convention, Meeting	51	2,160	-	-	824	569	2,007	2,572	-	8,183
Program Supplies	-	-	-	19	-	626	585	674	150	2,053
	\$ 6,106	\$ 2,680	\$ 4,500	\$ 9,052	\$ 21,077	\$ 62,990	\$ 50,591	\$ 53,003	\$ 3,261	\$ 213,260

See accompanying notes to financial statements.

Families Helping Families of Southeast Louisiana
Statement of Cash Flows
Year Ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 56,850
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Depreciation and Amortization	727
(Increase) decrease in operating assets	
Accounts Receivable	(8,940)
Increase (decrease) in operating liabilities	
Payroll Liabilities	5,620
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>54,257</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases for Property and Equipment	<u>(22,082)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(22,082)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Note Payable Families Helping Families GNO	<u>12,264</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>12,264</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	44,439
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,500</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 45,939</u></u>

See accompanying notes to financial statements.

Families Helping Families of Southeast Louisiana, Inc.
Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Families Helping Families, Inc. (the “Organization”), a non-profit corporation, was incorporated on April 13, 2007. The purpose of the Organization is to help the families of individuals with disabilities provide their disabled family members the opportunity to attend school, live, work and recreate in their community with typical peers. Revenue comes primarily from contracts for services provided to the State of Louisiana.

Donated Assets and Services

The organization records noncash donations as contributions at their estimated fair value at the date of the donation. Unpaid officers, board members and volunteers conduct significant portions of the Organization’s functions. The value of this contributed time is not recorded or reflected in the accompanying financial statements, as they do not create nonfinancial assets, nor are they specialized services as described in SFAS No. 116.

Property and Equipment

Property and equipment are recorded at cost and reported net of depreciation. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line bases over a five to ten year period. Donations of property and equipment are recorded at estimated fair market value on the date of donation. These assets are recorded as unrestricted net assets unless the donor imposes a restriction. Costs incurred for repairs and maintenance are expenses as incurred. No restrictions have been placed on assets donated to the agency. Depreciation expense for the period ended June 30, 2008 is \$727.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from both federal and Louisiana income taxes under Section 501(c)(3) of the Internal Revenue Code and R.S. 12:201 of Louisiana statutes. Additionally, the Organization had no unrelated trade or business income for the period ended June 30, 2008.

Accounts Receivable

Accounts receivable consists of amounts owed from the State of Louisiana for grants and fee for service programs. These amounts are presented at fair value and management estimates that all are collectable.

Families Helping Families of Southeast Louisiana, Inc.
Notes to Financial Statements

Functional Expense Allocation

Functional expenses are allocated among the various program services and general and administrative categories based on actual use or management's best estimate.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets until such time that the restriction has been satisfied. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates in the Preparation of Financial Statements

In preparing the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 116 and SFAS 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

Families Helping Families of Southeast Louisiana, Inc.
Notes to Financial Statements

NOTE B – ACCOUNTS RECEIVABLE

The detail of accounts receivable at June 30, 2008 is as follows:

Louisiana State Improvement Grant	\$	3,523
Metropolitan Human Services District		5,417
	\$	<u>8,940</u>

These receivable, if not collected, would have a material impact on net assets. The Organization has not experienced any losses in prior contract history and believes it is not exposed to any significant risk to the receivables.

Note C – Related Party Transactions

During the year ended June 30, 2008 the Organization borrowed \$13,764 for operating capital. The loan bears no interest and is repayable over 3 years with no fixed terms.

Note D – Property and Equipment

Property and equipment consists of the following at June 30, 2008:

Furniture and equipment	\$	22,082
Less: accumulated depreciation		<u>727</u>
	\$	21,355
Total		<u></u>

Depreciation expense for the year ended June 30, 2008 was \$727.

Note E – Program Grants

The Organization was established to provide support and educational services to area families who have family members who are handicapped or have developmental disabilities. A substantial portion of the Organization's support and revenue is derived from grants for the programs conducted. The various grants are approved on a year-to-year basis. The Organization received 85% of its revenue from grant programs administered by the State of Louisiana.

Note F – Third Party Revenues

A substantial share of contract revenues for services to clients is derived under a state third-party reimbursement program. These revenues are based, in part, on cost reimbursement principles and are not subject to adjustments by the respective third-party providers. Retroactive

Families Helping Families of Southeast Louisiana, Inc.

Notes to Financial Statements

adjustments, if any would not be material to the financial position or results of operations of the Organization.

Note G – Leases

For the year ended June 30, 2008, the Organization leased office space with a term commencing on August 1, 2007 and ending on December 31, 2009 for \$750 per month. The Organization took possession of the property on July 15, 2007 in exchange for an additional \$375 paid to the landlord. The total rent expense for the year ended June 30, 2008 was \$9,375. Future Minimum Lease Payments are as follows:

2008-2009	\$9,000
2009-2010	<u>4,500</u>
	\$13,500

The Organization entered into five year non-cancellable lease agreement for a copy/fax/scanner on June 29, 2007. Monthly payments were originally \$500, excluding meter print charges. This lease was amended in January 2008 to a monthly lease payment of \$536, including meter print charges, excluding any applicable taxes. Total equipment rental, meter print charges, and applicable taxes for the year ended June 30, 2008 was \$5,697. Future minimum lease payments are as follows:

2008-9	\$6,429
2009-10	<u>6,429</u>
	\$12,858

OTHER INDEPENDENT AUDITOR'S REPORTS

Taylor & Willis, CPAs

A Limited Liability Company

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Families Helping Families of Southeast Louisiana, Inc.
4118 Franklin Avenue
New Orleans, Louisiana

We have audited the financial statements of Families Helping Families of Southeast Louisiana, Inc. (a Louisiana non-profit corporation) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance whether Families Helping Families of Southeast Louisiana, Inc.'s financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Families Helping Families of Southeast Louisiana, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Families Helping Families of Southeast Louisiana, Inc.'s control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Families Helping Families of Southeast Louisiana, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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A Limited Liability Company

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the board of directors, management, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Taylor & Willis CPAs LLC

December, 23, 2008

Families Helping Families of Southeast Louisiana, Inc.
Schedule of Findings and Questioned Costs
For the year ended June 30, 2008

Section I – Summary of Auditor’s Results

Financial
Statements

Type of auditor's report issued:
Internal Control over financial
reporting:

Unqualified

Material weakness identified?	<u> </u> yes	<u> </u> X	no
Reportable conditions identified?			none
not considered to be material weaknesses?	<u> </u> yes	<u> </u> X	reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> </u> X	no

Section II - Internal Control and
Compliance
Governmental Auditing
Standards

Internal Control

<u>Item Number</u>	<u>Agency/Program</u>	<u>Questioned Costs</u>
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No findings and questioned costs for the year ended June 30,
2008

Families Helping Families of Southeast Louisiana, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2007

	Fiscal Year		Corrective	Planned Corrective
	Finding		Action Taken	Action/Partial
	Initially			Corrective
Ref.				
No.	Occurred	Description	(Yes, No, Partially)	Action Taken

The year ended June 30, 2008 is first year in operation